

AGF MANAGEMENT LIMITED QUARTERLY REPORT

for the nine months ended August 31, 2000

These acquisitions represent significant moves to implement the Corporation's strategic vision and reinforce its commitment to remain in the top-tier of fund companies in Canada with the capacity to grow and build its brand in an increasingly competitive and global marketplace.

Continued strength in North American economies plus reinvigorated world trade have combined to reveal some stresses in the economy. The most visible change is the dramatic escalation of energy prices which has negatively impacted both consumers and industry and should act to slow down growth over the next year.

In the short term, markets will be buffeted as the performance characteristics of some companies stand out as achievers while other so called high growth companies fail to make the grade. In addition, new opportunities due to changed industry dynamics in, for example, energy and health care offer attractive investment potential worldwide.

Blake C. Goldring

President & Chief Executive Officer
October 6, 2000



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What are you doing after work?

To the Shareholders

It is a pleasure to report that AGF Management Limited had consolidated net earnings after income taxes of \$73.0 million or \$0.90 per share fully diluted for the nine months ended August 31, 2000, an increase of 65.9 per cent over the comparable 1999 period. These powerful results are attributable to robust sales, strong performance in fund portfolios and rigorous cost controls. All per share amounts reflect the two-for-one share subdivision which was effective on August 29, 2000.

Cash flow from operations (before net change in non-cash balances related to operations) was \$168.3 million or \$2.06 per share fully diluted for the nine months ended August 31, 2000 compared to \$119.4 million or \$1.45 per share fully diluted for the same period last year.

Total consolidated revenue for the nine months ended August 31, 2000 was \$366.5 million up from \$257.7 million last year, an increase of 42.2 per cent, reflecting the growth in mutual fund assets under management to \$24.4 billion at August 31, 2000 from \$18.2 billion one year ago. Total assets under management as of the date of this message to shareholders are in excess of \$28.5 billion.

During the third quarter of 2000, the Corporation announced an agreement to acquire 100 per cent of the outstanding shares of Global Strategy Holdings Inc., which will allow AGF to offer a broader range of investment products, enhance distribution channels, strengthen operational capacity and benefit from economies of scale.

The Corporation also completed the acquisition of a Quebec-based high-net-worth investment management firm now called AGF Magna Vista Private Investment Management Limited. This acquisition strengthens the Corporation's position to be able to serve high-net-worth clients as well as all investors along each point of the wealth management continuum.

Consolidated Statements of Income (unaudited)

	Three months ended August 31,		Nine months ended August 31,	
	2000	1999	2000	1999
(in thousands of dollars, except per share amounts)				
Revenue				
Wealth Management Operations				
Net management and advisory fees	\$ 109,832	\$ 79,212	\$ 304,628	\$ 218,532
Administration fees and other revenue	10,248	5,679	30,291	16,706
Deferred sales charges	5,632	5,461	20,519	14,073
Investment income	587	191	1,838	610
	126,299	90,543	357,276	249,921
Trust Company interest, dividends and administration fees	3,177	2,700	9,243	7,811
	129,476	93,243	366,519	257,732
Expenses				
Wealth Management Operations				
Selling, general and administrative	23,222	18,111	69,709	50,867
Trailing commissions	26,511	20,004	74,251	53,027
Investment advisory fees	9,225	7,414	25,269	20,179
Amortization of deferred selling commissions	20,042	15,349	57,261	43,365
Amortization of management contracts	1,282	1,282	3,844	3,844
Amortization of capital assets and goodwill	1,827	1,301	4,538	3,865
Long-term interest expense	642	1,000	2,542	3,048
	82,751	64,461	237,414	178,195
Trust Company Operations				
Interest on deposits	1,965	1,674	5,724	4,912
General and administrative	641	550	1,866	1,598
Provision for mortgage losses	25	105	98	170
	2,631	2,329	7,688	6,680
	85,382	66,790	245,102	184,875
Income before income taxes	44,094	26,453	121,417	72,857
Income taxes				
Current	8,966	1,148	16,491	3,878
Deferred	8,367	9,263	31,953	25,006
	17,333	10,411	48,444	28,884
Net income for the period	\$ 26,761	\$ 16,042	\$ 72,973	\$ 43,973
Earnings per share				
Basic	\$ 0.34	\$ 0.21	\$ 0.93	\$ 0.57
Fully diluted	\$ 0.33	\$ 0.20	\$ 0.90	\$ 0.54
Number of shares outstanding at period end	78,477,203	77,690,554		

Consolidated Statements of Cash Flow (unaudited)

	Three months ended August 31,		Nine months ended August 31,	
	2000	1999	2000	1999
(in thousands of dollars, except per share amounts)				
Operating activities				
Net income for the period	\$ 26,761	\$ 16,042	\$ 72,973	\$ 43,973
Items not affecting cash				
Amortization of deferred selling commissions	20,042	15,349	57,261	43,365
Deferred income taxes	8,367	9,263	31,953	25,006
Amortization of management contracts	1,282	1,282	3,844	3,844
Amortization of capital assets and goodwill	1,827	1,301	4,538	3,865
Other	(818)	(202)	(2,236)	(620)
	57,461	43,035	168,333	119,433
Net (increase) decrease in non-cash balances related to operations	7,030	(848)	1,752	(14,949)
	64,491	42,187	170,085	104,484
Financing activities				
Net change in Class B shares	(1,138)	(1,651)	(5,051)	321
Decrease in bank loan	(7,000)	(13,000)	(22,000)	(11,000)
Dividends	(3,908)	(3,129)	(10,162)	(8,524)
Decrease in loan notes payable	-	-	(62)	(1,835)
Increase in Trust Company deposits	5,268	5,176	5,940	10,549
	(6,778)	(12,604)	(31,335)	(10,489)
Investing activities				
Deferred selling commissions paid	(35,764)	(32,718)	(121,885)	(100,176)
Acquisition of subsidiary net of cash acquired	(10,233)	-	(10,233)	-
Sale of investments	1,196	-	1,836	-
Purchase of capital assets	(3,779)	(1,898)	(8,167)	(3,851)
Sale (purchase) of investments - Trust Company Operations	(264)	2	888	(1,744)
Increase in Trust Company mortgages and other loans	(3,700)	(2,876)	(9,260)	(10,180)
	(52,544)	(37,490)	(146,821)	(115,951)
Increase (decrease) in cash and cash equivalents during the period	5,169	(7,907)	(8,071)	(21,956)
Balance of cash and cash equivalents, beginning of period	58,816	46,035	72,056	60,084
Balance of cash and cash equivalents, end of period	\$ 63,985	\$ 38,128	\$ 63,985	\$ 38,128
Represented by:				
Cash and term deposits				
Wealth Management Operations	\$ 14,138	\$ 24,859		
Trust Company Operations	7,485	6,538		
Short-term investments	42,362	6,731		
	\$ 63,985	\$ 38,128		
Supplemental disclosure of cash flow information				
Interest payments during the period	\$ 2,627	\$ 2,684	\$ 8,306	\$ 8,000
Income tax payments during the period	\$ 1,581	\$ 2,161	\$ 8,512	\$ 6,924
Cash flow from operations per share (before net change in non-cash balances related to operations)				
Basic	\$ 0.74	\$ 0.56	\$ 2.16	\$ 1.54
Fully diluted	\$ 0.71	\$ 0.53	\$ 2.06	\$ 1.45